



U.S. Department of Justice
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Western District of New York

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PRESS RELEASE

November 1, 2004

**DEFENDANT SENTENCED TO 37 MONTHS IN
PRISON IN CONNECTION WITH
A STUDENT LOAN SCHEME**

RE: UNITED STATES v. SHANE BYBEE

Michael A. Battle, the United States Attorney for the Western District of New York, together with John P. Higgins, Jr., the Inspector General of the United States Department of Education and Robyn Dagleish, Postal Inspector in Charge of the New York Division of the United States Postal Inspection Service announced today that Shane Bybee, age 28, of 3256 Capstan Way, Colorado Springs, Colorado, was sentenced by the Honorable David G. Larimer, United States District Court Judge, to 37 months in prison in connection with his guilty plea on February 10, 2004 to student loan fraud. Specifically, Bybee had pleaded guilty with respect to his involvement in a scheme to defraud the United States Department of Education and the Citibank Student Loan Corporation in Pittsford, New York of federal student loan funds, in violation of 20

U.S.C. §1097, which carries a maximum of five years imprisonment and a \$250,000 fine.

Assistant U.S. Attorney Richard A. Resnick, who handled the case, stated that Shane Bybee was initially charged with respect to his role in a scheme to fraudulently obtain federal student loans in connection with alleged attendance at eligible post-secondary foreign institutions. According to the indictment, between October 2001 and June of 2003, Shane Bybee submitted twelve fraudulent federal loan applications using his name, his brother's name and his mother's name requesting approximately \$220,000 in federal student loan proceeds. Each of the applications submitted to Citibank were fraudulent in that they falsely represented that Shane Bybee, his brother, Brian Bybee, and his mother, Diane Bybee, were enrolled or accepted for enrollment at the University of Oxford, New College, located in the United Kingdom.

The indictment further alleges that between June of 2003 and July of 2003, Shane Bybee submitted approximately 1,600 fraudulent federal student loan applications to Citibank requesting approximately \$29,600,000 and intended to submit another approximately 770 fraudulent federal student loan applications requesting approximately \$14,245,000 in federal student loan funds. Each of these applications were filed in the names of fictitious borrowers for their claimed attendance at various colleges in the United Kingdom.

Shane Bybee of Colorado Springs was arrested by OIG agents and Postal Inspectors on July 31, 2003 based upon a federal warrant issued by the United States District Court, Western District of New York. In addition to his 37 month prison sentence, Bybee was order to pay \$161,105 in restitution to the Department of Education.

United States Attorney Battle praised the investigative efforts and assistance of the United States Department of Education, Office of the Inspector General, and the United States Postal Inspection Service.

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